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June 22, 2005
Arizona Corporation Commission

DOCKETED

JUN 29 2005

Lori H. Hoover
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

DOCKETED BY	
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Re: Utility Source, L.L.C.; Docket Nos. WS-04235A-04-0073 & WS-04235A-0074;
Compliance Tariff

Dear Ms. Hoover:

In response to your June 21, 2005 letter, enclosed are further revised Curtailment Tariff Sheets 14 thru 20 that now hopefully included all of the Staff's recommended provisions.

In the event we can provide additional information, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

Enclosures

Cc: John Chelus
James Dorf
Lonnie McCleve

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2005 JUN 29 P 2:24
AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKET WS- 04235A

Cancelling Sheet No.

Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

III. CURTAILMENT PLAN FOR UTILITY SOURCE, L.L.C.

ADEQ Public Water System Number: PWS I.D. #03-394

Utility Source, LLC ("Company") is authorized to curtail water service to all customers, residential and commercial, within its certificated area under the following terms and conditions:

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of this tariff or no later than sixty (60) days after the date of this tariff.

The Company shall provide a copy of the curtailment plan to any customer, upon request.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager
Utility Source, L.L.C.
521 E. San Pedro
Gilbert, AZ 85233

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Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

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Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis. Standpipe service shall be suspended.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

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Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

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STATEMENT OF TERMS AND CONDITIONS
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Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
 - ◆ Washing of any vehicle is prohibited
 - ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
 - ◆ The use of drip or misting systems of any kind is prohibited
 - ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
 - ◆ The use of construction water shall be prohibited
-

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- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

The Company's operation of its standpipe service shall be prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
 2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
 3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.
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Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Service Section at 1-800-222-7000 to initiate an investigation.

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